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**FISCAL IMPACT STATEMENT**

**LS 6255**

**BILL NUMBER:** HB 1227

**NOTE PREPARED:** Nov 19, 2002

**BILL AMENDED:**

**SUBJECT:** ISTEP test dates.

**FIRST AUTHOR:** Rep. Smith V

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:** X GENERAL  
DEDICATED  
FEDERAL

**IMPACT:** State & Local

**Summary of Legislation:** This bill provides that the ISTEP assessments must be administered during the spring semester. The bill allows a student who did not pass the graduation examination to take the examination during the summer following grade 12, in addition to during each semester following the year in which the student was initially tested, until the student achieves a passing grade.

**Effective Date:** July 1, 2003.

**Explanation of State Expenditures:** *Summary:* Under the bill, the Department of Education would be required to administer ISTEP+ examinations during the spring instead of the fall. In addition, the Department would be required to administer an additional graduation examination retake during the summer. The Department of Education would require an indeterminable increase in administrative expenses from the provisions of the bill. The expenditure impact of this bill would be dependant upon various factors such as a successful development and piloting phase of a spring examination. Under current law, the Department is required to administer ISTEP+ examinations during the fall semester. (However, the Grade 10 graduation examination retakes are conducted in both the fall and spring.)

The Department would experience administrative expenses regarding the development and piloting of new ISTEP+ assessments for Grades 3, 6, 8, and 10. Current assessments are based on proficiencies from the preceding grades (e.g., 2, 5, 7, and 9). New assessments given in the spring would need to be based on current grade proficiencies. The development of a new test typically involves the following determinations when establishing alignment with a set of state standards: (1) the number of questions; (2) the length of each question; (3) cutoff scores; and (4) test validity and reliability.

*Background:* ISTEP+ is Indiana's statewide student assessment program which is currently given in Grades 3, 6, 8, and 10. ISTEP+ includes both norm- and criterion-referenced components, is administered in the fall, and is based upon proficiencies from the previous year.

The norm-referenced component of ISTEP+ compares a student's performance to the performance of a statistically representative sampling of U.S. students. The criterion component of ISTEP+ (which includes English/Language Arts and Mathematics subject areas) measures student performance against the Indiana Academic Standard (an expectation of student achievement developed by the State Standards Task Force).

Beginning with the graduating class of the 1999-2000 school year, students who expected to graduate with a diploma were required to either: (1) complete all high school graduation credit requirements in addition to receiving a score at or above the Indiana Academic Standard on the Examination; (2) successfully complete all components of the CORE 40 curriculum; or (3) successfully appeal the examination test results in accordance with current law. A student who does not receive a score at or above the Indiana Academic Standard may retake the examination during each semester of each grade following the grade in which the student is initially tested.

Through the spring of 2001 testing session, approximately 83% of the 2000-2001 and approximately 75% of the 2001-2002 graduating class received a score at or above the Indiana Academic Standard on the examination.

For FY 2003, \$40,174,677 were appropriated from the state General Fund and state dedicated funds for ISTEP+ testing and remediation (Grades 3, 6, 8, and 10). Of this amount, approximately \$19 M were distributed to eligible school corporations for preventative and regular remediation and approximately \$20 M were distributed for test development and administration.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:** See *Explanation of State Expenditures*.

**Explanation of Local Revenues:**

**State Agencies Affected:** Department of Education.

**Local Agencies Affected:** School corporations.

**Information Sources:** State of Indiana, List of Appropriations (July 1, 2001, to June 30, 2003); Wes Bruce, Department of Education; Department of Education Internet site: <http://ideanet.doe.state.in.us>.

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